

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. N-06/09-339
)
 Appeal of)

INTRODUCTION

The petitioner appeals the decision by the Department for Children and Families, Economic Services Division terminating his Medicaid benefits under the working disabled program, and finding him ineligible for Medicaid until he meets a spend-down. The issue is whether the Department correctly determined the petitioner's eligibility according to the pertinent regulations.

FINDINGS OF FACT

1. The petitioner is disabled. He receives Social Security disability benefits of \$887 a month. However, prior to May 2009 the petitioner was also working and was eligible for Medicaid under the Working Disabled Program. Under this program, he was allowed to have monthly income up to 250 percent of federal poverty level (FPL) in determining his financial eligibility for Medicaid.

2. The petitioner left his job in May and began receiving unemployment benefits of \$121 a week.¹ Based on this change in circumstances the Department (by notice dated June 11, 2009, effective July 1, 2009) determined that the petitioner would be subject to the maximum income level (slightly more than 100 percent of FPL) for "regular" Medicaid, and that he would be subject to a six-month spend-down amount before he could become eligible for Medicaid.

3. The petitioner appealed this decision, and a hearing in the matter was held on August 12, 2009.² At that time the petitioner reported that he might return to work this month. The petitioner was advised to reapply for Medicaid if he did so.

4. Although none of the above facts are in dispute, the petitioner argues that as a condition of receiving unemployment benefits he must seek and be available for work. Thus, the petitioner maintains that his Medicaid eligibility should still be determined as if he were still working.

ORDER

The Department's decision is affirmed.

¹ Unfortunately, it appears the petitioner had to leave the job when his employer could no longer accommodate his disability.

REASONS

Under the Medicaid regulations all earned and unearned income, including unemployment compensation, must be counted in determining financial eligibility. W.A.M. § M240. The above notwithstanding, the Social Security and Medicaid regulations contain provisions providing monetary incentives to encourage disabled individuals to work. For Medicaid, the monthly income eligibility maximum rises from slightly more than 100 percent FPL to 250 percent FPL if the individual qualifies for the working people with disabilities program. See W.A.M. § M200.24, Procedures Manual § P-2420B.

Unfortunately however, as the Board has frequently observed, the "flip side" of those incentives is that the loss of such earnings (especially when partially replaced by non-exempt income such as unemployment compensation) is compounded by the sudden loss of financial eligibility for Medicaid (and can be accompanied by the reduction or loss of other benefits, such as Food Stamps). The petitioner's dismay at this result is understandable, especially since the loss of his job appears to have been largely involuntary on his part, and he now has substantially less monthly income.

² The petitioner's Medicaid benefits are continuing during the pendency of this hearing.

However, inasmuch as there is no dispute that the Department's decisions in this matter accurately reflected the petitioner's countable income and expenses as of June 2009, and that his eligibility for Medicaid was determined in accord with the applicable regulations, the Board is bound by law to affirm the Department's decisions. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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